

ARMED FORCES SERVICE AGREEMENT

Armed Forces Active Duty Health Professions Loan Repayment
Program

FOR NEW ACCESSIONS

PRIVACY ACT STATEMENT

1. Authority: Chapter 109, Title 10 U.S.C. and E.O. 9397 (SSN).
2. PRINCIPAL PURPOSE(S): Service Agreement is used as the contract between a Military Department (Army/Navy/Air Force) and individual selected to enter the Active Duty Health Professions Loan Repayment Program (ADHPLRP), also referred to as the Program. The Program offers financial support for authorized health care educational loan repayment in return for an active duty obligation.
3. ROUTINE USES: The Service Agreement becomes a part of individual's official file at the applicable Military Department (**Army/Navy/Air Force**) Personnel Center.
4. MANDATORY OR VOLUNTARY Disclosure: Voluntary; however, failure to provide the information will result in the agreement not being processed and will prevent enrollment in the Program.

APPLICANT INITIALS _____

NAME OF APPLICANT _____ SSN _____

In accordance with my application to participate in Armed Forces Active Duty Health Professions Loan Repayment Program under Title 10, United States Code (10 U.S.C.), section 2173,

1. I hereby certify that:

a. I am a citizen of the United States of America.

b. I am fully qualified in a health profession that the Service Secretary has determined to be necessary to meet identified skill shortages and I have completed my education at an educational institution located and accredited in the United States or located in Puerto Rico and accredited in the United States; or I am enrolled as a full time student (other than medicine or osteopathy) in my final year of studies at an educational institution located and accredited in the United States or located in Puerto Rico and accredited in the United States leading to a degree in (list) _____; or I am in my final year of an approved graduate program at an educational institution located and accredited in the United States or located in Puerto Rico and accredited in the United States leading to a specialty qualification in (initial one) _____medicine, _____dentistry, _____osteopathic medicine, or other (list) _____ health care profession.

c. Other than any military obligation, I am not obligated for future service to any health institution, community or other entity by virtue of any scholarship, grant, contract or other agreement, and I will not make any such contract or other agreement without approval of the Surgeon General until I have completed my service obligation under this Program.

d. I have not incurred or am free of any court judgment in favor of the United States creating a lien against my property arising from a civil or criminal proceeding regarding a debt, and I am not in default of any federal debt.

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e. I am not currently and have never been a participant, as a student or graduate, of the Uniformed Services University of the Health Sciences, or a previous participant of the Armed Forces Health Professions Scholarship Program (AFHPSP) having received maximum sponsorship for the degree being obtained while incurring the loans to be repaid under this agreement.

f. I meet all requirements to practice without restriction in the profession or specialty for which trained and have a current, valid, unrestricted license/certification/registration or other equivalent qualification to practice based on my health care discipline, unless I am in my final year of training. I understand that I will not receive loan repayment prior to meeting the aforementioned criteria.

g. If a physician, I have a current, valid, unrestricted medical license, and I am eligible for board certification or enrolled in the final year of graduate medical education in a medical specialty to practice medicine in that specialty.

h. I meet the Military Department medical, physical fitness, and the appearance and weight standards.

i. If I had prior active commissioned service (not periods of active duty for less than one year while serving in a Reserve Component) that was in the same Corps designation as the health care discipline for which I am now applying under the HPLRP, I understand that I must have been separated at least 24 months from such active service to receive ADHPLRP as an accession bonus. (Enter separation date, if applicable)_____.

2. I acknowledge that I may not unilaterally terminate my participation in the Program by: refusing to apply for or accept the monetary benefits of the Program set forth in this agreement; or noncompliance with active duty requirements.

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3. I understand the Government's offer of loan repayment is contingent upon my meeting all eligibility requirements for Program entry. I further understand this agreement is void if it is determined I am ineligible for Program entry. By executing this contract, I represent that I meet all eligibility criteria for contracting in the Program, as defined by statute, Service regulation or instructions, Program policy/instruction and this service agreement. I represent that I have disclosed or will disclose any and all pre-existing medical conditions and non-medical conditions that would make me ineligible for enrollment in the Program as specified in the aforementioned guidance governing the Program and this contract. If I am ineligible for Program entry based on a particular medical or non-medical condition, but such ineligibility may be waived, I must obtain an approved waiver before executing this agreement. Failure to disclose any disqualifying condition will subject me to disenrollment from the Program and possible recoupment of benefits. I agree to comply with and perform administrative and other duties, consistent with Program and Military Department requirements. I specifically acknowledge that loan repayment may be terminated if I fail to comply with Military Department requirements, as set forth in the regulatory, instruction and policy guidance.

4. I understand and agree that I will be required to perform professional duties consistent with Military Department requirements. I further understand and acknowledge that this agreement is automatically void if: I fail to complete my studies or specialized training as scheduled; I fail to receive the appropriate specialty qualification; or I do not successfully complete the basic Military Department officer indoctrination training.

5. If in my final year of an education or training program, I will not be granted an extension to pursue studies or training, or to complete requirements prerequisite to receiving any other degree or specialized training. I further understand that, should I complete or terminate such studies or training prior to the anticipated date, I am obligated to immediately notify the Surgeon General, so that I may be ordered to active duty to fulfill my active duty obligation.

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6. I agree to remain on active duty for the required period in addition to any other ADO.

7. Upon entering active duty, I understand that I must accept an appropriate appointment, reappointment, or designation as to grade and branch within the Service based upon my health profession. Further, that such reappointment may result in a lower grade than previously held as a commissioned officer. I agree to perform all administrative prerequisite requirements for reappointment or designation as to grade and branch within the Service, based upon my health profession. As an active duty officer, I understand that I must accept assignment or reassignment within the Military Department, based upon my health profession and Military Department requirements.

8. I further understand that any subsequent changes in my marital or dependent status, or in my physical condition will not be grounds for subsequent release from the terms of this contract, unless specifically provided for by statute or applicable Service Regulations/Instructions in effect at the time my status changes. I understand that I will not be permitted to voluntarily withdraw from the Program or to be released from active duty, except when my release is determined by the Service Secretary to be in the best interests of the Government.

9. As a result of Program participation, I understand that:

a. If I am entering active duty with ADHPLRP as my initial obligation, I will be subject to the standard eight-year service obligation, a portion of which will be served as an active duty obligation as described above. This eight year service obligation is served concurrently with any other obligation. Subject to mutual agreement, I may fulfill any remaining obligation (after the ADO portion) in the SELRES.

b. I will incur an active duty obligation (ADO) for ADHPLRP participation that is a minimum of two years or one year for each year of annual repayment, whichever is greater.

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c. Prior active duty and participation in the course of study or specialty training will not count toward completion of the ADO described in 9b, above. I will not be released from active duty until I have served my ADO for ADHPLRP participation, in addition to any other ADO I might incur for participation in, or acceptance of, any other: military accession bonuses or incentives; graduate professional education (GPE); DoD-sponsored education or training; multiple retention (post-accession) contracts; or multi-year or special pay incentives, as applicable, except when my release is determined by the Military Department to be in the best interests of the Government.

d. Unless otherwise relieved, I will serve, apart from my ADHPLRP ADO described in 9b, a minimum term of service (MTOS) on active duty of three years if other than a physician, or two years if a physician. My MTOS will run concurrently with my ADO. However, if my ADO is less than my MTOS, I will not be released from active duty until I have also served my MTOS. Any time spent on active duty after completion of the basic professional degree required for appointment to the health services category to which assigned (including time spent in discharging an ADO) will count toward the satisfaction of the MTOS. Prior active duty service will not count toward the completion of the MTOS.

e. I will incur a new minimum ADO as described in paragraph 9b above if I entered active duty with ADHPLRP as my initial obligation and subsequently apply for and am granted benefits for retention purposes. This new ADO will be served consecutively with the prior ADO.

f. If I am twice non-selected for promotion, have not yet fulfilled the term of continuous active duty under this agreement, and am offered selective continuation, then I agree to accept selective continuation on active duty, rather than elect to be discharged as a result of being twice non-selected for promotion.

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10. I understand that the following provisions apply to the discharge of my ADO:

a. Time in graduate professional education (graduate medical, dental, or other health or health-related education, internships, residencies or fellowships) or long-term civilian training (degree or non-degree producing) is not creditable toward satisfying my ADHPLRP ADO.

b. The ADHPLRP ADO is in addition to any obligation incurred as a result of participation in any accession bonus; graduate professional education (GPE); DoD-sponsored education or training; multiple retention (post-accession) ADHPLRP contracts; or multi-year retention incentives/ bonuses. I may not serve all or any part of the ADO incurred by participation in this Program concurrently with any other military obligation for the aforementioned programs and incentives.

c. An ADO incurred for any multi-year retention bonus or multiple retention (post-accession) contracts; or multi-year or special pay incentives shall be served at the completion of my ADHPLRP ADO.

d. An ADO incurred for graduate professional education (GPE) is in addition to and shall be served consecutively with the ADHPLRP ADO. ADHPLRP is not considered DoD sponsored education or training, since the education/training being paid for occurred prior to the member being a member of the applicable Service.

e. An assertion of "community essentiality" will not be considered as a ground for relief from the Program obligation, release from active duty, or for fulfilling the Program obligation.

f. Time spent on active duty or active duty for training before completion of professional degree or specialized training requirements will not be credited toward fulfillment of any ADO.

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g. If I am relieved of my ADO before the completion of that obligation, that I may be given, with or without my consent, any of the following alternative obligations, as determined by the Service Secretary:

(1) An obligation in another component of the Armed Forces for a time period not less than my remaining ADO.

(2) A service obligation in a component of the Selected Reserve of a period not less than twice as long as my remaining ADO.

(3) Repayment to the Secretary of Defense of a percentage of the total cost incurred by the Secretary on my behalf that is equal to the percentage of the total ADO for which I am relieved, plus interest.

(4) In addition to the alternative obligations specified in paragraphs (1) through (3) above, if I am relieved of my ADO by reason of separation because of a physical disability, the Secretary may give me a service obligation as a civilian employed as a health care professional in a facility of any of the Uniformed Services for a period of time equal to my remaining ADO.

h. I agree to serve my ADO in another military Service if the Surgeon General determines that I am excess to my Service's needs.

11. I understand that the following definitions apply to loan repayment:

a. Government loans are loans made by Federal, State, county, or city agencies that are authorized by law to make such loans.

b. Commercial loans are loans made by banks, credit unions, savings and loan associations, insurance companies, schools, and other financial or credit institutions that are subject to examination and supervision federal or state agencies.

c. Reasonable educational expenses are educational costs that are required by the school's degree program.

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These costs include tuition, fees, books, supplies, educational equipment and materials, and clinical travel. The costs must be part of the estimated standard student budget of the school in which enrolled and be commensurate with educational expenses authorized under the Armed Forces Health Professions Scholarship Program (AFHPSP).

d. Reasonable living expenses include room and board, transportation, and other costs incurred at a college, university, and health professions school, as estimated each year by the school as part of the standard student budget. The amount of the loan to be repaid for living expenses shall not exceed the total annual stipend amount authorized under AFHPSP.

12. As a Program member, I understand that I will:

a. Be commissioned as an officer in a Reserve Component of the Service for which selected or retain my original appointment.

b. Be entitled to receive repayment of loans, as described in paragraph 11 above, used to finance my health profession education. Repayment may consist of loan amounts for principal, interest, and reasonable educational and living expenses, as described above. The maximum repayment shall be \$26,689 (as of 1 Oct 2002), less any tax liability, paid to the lending institution on my behalf, for each year of active duty service. The maximum annual amount shall be increased effective October 1, at the rate prescribed by the Secretary of Defense. I understand that loan repayment processing commences after I have arrived at my first active duty assignment following completion of the Service's basic officer indoctrination training and provided documentation of the loan(s) for repayment acceptable to the Service, and meet all eligibility requirements. I further understand that if my final annual loan repayment is less than the maximum amount, the applicable ADO or minimum term of service in paragraph 9 above is not reduced or prorated.

c. Be responsible for the tax liability on payments made on my behalf as a participant of the ADHPLRP, which under federal law, are taxable income for the tax year in which the payments are made. I understand that the portion of the benefit representing taxes withheld will remain as a debt to the lending institution to be paid by myself. I further understand that the

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Defense Finance and Accounting Service (DFAS) is required by law to withhold 28 percent as Federal Income Tax Withholding (FITW) from all loan payments made on my behalf, but my individual tax liability will be based on my total taxable income. Additional amounts may be withheld for state income tax. I understand that these amounts will be reflected on tax withholding documentation (W-2s or equivalent) issued by DFAS.

d. Not be entitled to any benefits under the Program if I have not completed the basic Service officer indoctrination training, if I fail to provide documentation acceptable to the Service of the loan(s) for repayment, or fail to have or maintain professional qualifications as required by the Service. I understand that repayment will be suspended or terminated upon my ineligibility to remain on active duty, my failure to maintain an appropriate active duty status, or my failure to maintain professional qualifications as required by the Service.

13. I further understand and agree that service performed in other than an active duty status while I am a member of this Program will not be counted:

a. In determining eligibility for retirement other than by reason of a physical disability incurred while on active duty as a member of the Program; or

b. To compute years of service creditable under 37 U.S.C. § 205.

14. I agree to reimburse the Government for the total costs it incurred, plus interest, or any portion thereof, as determined by the Service Secretary, if I voluntarily or because of misconduct: fail to complete my ADO under this contract; am terminated from Program participation; or otherwise fail to fulfill any term or condition as the Secretary of the Military Department may prescribe to protect the interest of the United States. I will be required to reimburse the United States a percentage of the total cost incurred by the Military Department under the Program on my behalf that is equal to the percentage of the unserved portion of my ADO, plus interest. I acknowledge and agree that the term voluntarily includes, but is not limited to, failure due to conscientious objection, failure due to engaging in homosexual acts as prescribed by Military Department regulations promulgated under 10 U.S.C. Section 654, any

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disclosure which renders me statutorily ineligible for military service, or because of resignation for any reason, and that the term "misconduct" includes, but is not limited to substance abuse, criminal conduct, civil conviction, civil confinement, or moral or professional dereliction. I also understand I may not be relieved of my ADO solely because of willingness and ability to refund all payments made by the Government pursuant to Title 10, U.S.C.

a. I understand that my sexual orientation does not make me ineligible for contracting with the Military Department. Therefore, nothing in this paragraph requires a disclosure of my sexual orientation in violation of the Department of Defense Homosexual Conduct Policy. I understand that engaging in homosexual acts, as prescribed by Military Department regulations promulgated under 10 U.S.C. Section 654, is grounds for discharge from the military, and if I fail to complete my ADO under this contract due to engaging in homosexual acts, as prescribed by Military Department regulations promulgated under 10 U.S.C. Section 654, I will be deemed to have voluntarily failed to complete my ADO and agree to reimburse the United States a percentage of the total cost incurred by the Military Department under the Program on my behalf that is equal to the percentage of the unserved portion of my ADO, plus interest.

b. I further understand that the Military Department cannot guarantee that my religious practices will be accommodated. I acknowledge and understand that it is Service policy to accommodate religious practices as long as the practice will not have an adverse impact on military readiness, unit cohesion, standards, health, safety, or discipline. I further acknowledge and understand that the Military Department has the right to amend or eliminate any such accommodation based on the needs of the Service. If I at any time apply for and receive a discharge due to conscientious objector status, I will be deemed to have voluntarily failed to complete my ADO and agree to reimburse the Government for all costs which it incurred, plus interest or, any portion thereof, as determined by the Secretary of the Military Department.

15. I understand that, as a commissioned officer and Program participant, I am subject to military laws, rules, customs and traditions that include restrictions on my personal behavior and conduct that are different from the restrictions imposed on non-military personnel. I understand that false statements made,

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including but not limited to ones regarding my health or sexual orientation may result in prosecution.

16. I understand that all financial inducements and benefits, including, but not limited to, basic pay, housing allowances, health care benefits, bonuses, professional pay, variable incentive pay, special pay, retirement benefits, annual leave, and other benefits are either statutory or regulatory, and are subject to change at any time without notice, and any subsequent loss or change of such financial inducements or benefits by virtue of a statutory, regulatory or policy change shall not release me from any obligations incurred under this contract.

17. I understand that my ADHPLRP obligation will be added to my previously incurred service obligation, currently calculated to be ____ years ____ months ____ days on active duty and ____ years ____ months ____ days in the Individual Ready Reserves (IRR). I understand that in return for ____ years of loan repayment, I shall serve ____ years ____ months, ____ days on extended active duty. I understand that my total obligation, including the ADHPLRP and prior obligation, shall be ____ years ____ months, ____ days on extended active duty and ____ years, ____ months, ____ days in the IRR.

18. I acknowledge that this is the entire contract between the Military Department and me pertaining to the Armed Forces Active Duty Health Professions Loan Repayment Program, and that there are no oral or other agreements or understandings or representations affecting the contract. If I have previously entered into a similar contract pertaining to the Armed Forces ADHPLRP, this contract shall replace and supercede that agreement. I agree that any remaining ADHPLRP obligation from that agreement shall be included and reflected in paragraph 17 above.

18. I have read and thoroughly understand the above statements of terms under which I am being enrolled. I understand that I will be subject to all of the requirements and lawful commands of the officers placed over me. I certify that no promise of any kind has been made to me concerning assignment to duty as an inducement for me to sign this contract.

APPLICANT INITIALS _____

Date _____

Name of Applicant

Signature of Applicant

Name of Witness (Type or Print)

Signature of Witness

Accepted for and on behalf of the United States Army/Navy/Air Force,

Signature

Typed name, grade, title